

**Meeting of The Reclamation Board**

**August 17, 2007**

**Department of Water Resources Staff Report  
Delta Suisun Marsh Office  
Delta Levees Program  
Delta Levees Maintenance Subventions Program**

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Introduction:

The Delta Levees Maintenance Subventions is authorized in the California Water Code, Sections 12980 thru 12995. The program has been in effect since passage of the Way Bill in 1973 which has been modified periodically by Legislation since then. The intent of the Legislature, as stated in the Water Code, is to preserve physical characteristics of the Delta as much as it exists at the present time.

Water Code Section 12987 calls on the Department to prioritize the islands for receipt of grant funds through the program and recommend the prioritization to the Reclamation Board (Board). The Board reviews and approves the Department's recommendation and enters into an agreement with Reclamation Districts (RDs) to reimburse eligible costs.

The Department has worked with the Board to establish guidelines and procedures used to manage the program. The guidelines prioritize the levee work as illustrated on page 3.

Historical Perspective:

Historically, the Subventions Program's funds averaged about \$6 millions annually. In the past 10 years, requests for reimbursement for maintenance work, as identified in the Board Guidelines, submitted by the local maintaining agencies has averaged about \$5 million a year, which translates to work on approximately 650 miles of levees. Subventions Program has not been able to pay for Priorities 2 & 3.

Fiscal Year 2007-08:

The anticipated funding for this fiscal year is about \$25.75 million. This funding will not be guaranteed until the budget is signed; however, staff has prepared its recommendation assuming the funding will be included in the approved budget. Tables 1 thru 3 and Tables 4 thru 6 are prepared assuming the reimbursement cap of \$15,000 and \$20,000 per levee mile respectively. Table 1 and 4 list application amounts by levee maintaining agencies and show eligible amount of reimbursements

by priority, as defined in the Board Guidelines. Tables 2 and 5 show maximum and estimated eligible reimbursements and corresponding advance amounts. Tables 3 and 6 provide summary of reimbursements and corresponding rates for each priority up to the anticipated funding of \$25.75 million.

#### Existing Guidelines:

The Guidelines require local maintaining agencies in the Delta to pay the first \$1,000 per levee mile for eligible works qualified as levee maintenance or Priority 1. Under the Subventions Program, local agencies receive a maximum of 75 percent of the actual expenditures up to \$15,000 per levee mile. The existing cap of \$15,000 per levee mile was established in mid 1990s and only applies to maintenance work as well as the work that qualifies as Priority 1.

Staff has been working with local maintaining agencies to have a better understanding of what a reasonable cap would be considering the inflationary rate and the increased costs of maintenance and construction. Staff has examined the impacts of raising the cap to \$20,000 and \$25,000 per levee mile and concluded that it is in the best interest of the local maintaining agencies to support raising the current cap of \$15,000 per levee mile to \$20,000. This increase will help the local agencies to provide more maintenance on their levees and at the same time will allow reasonable rehabilitation work to continue in the Delta.

#### Staff Recommendation

Both DWR and the Board are interested in preserving the Delta for conveyance, protection of life and property, and for habitat. Therefore staff recommends the following:

- 1) Board to approve increasing the existing cap on maintenance work from \$15,000 per levee mile to \$20,000 per levee mile. This increase will allow maintaining agencies to maintain more levee miles and at the same time does not compromise interest in levee rehabilitation.
- 2) Board to approve Table 5, which establishes reimbursement amount and the limit on advances assuming Board does not have any objections to the first recommendation. Board should consider approving Table 2 in the event that it does not approve the increase of cap for maintenance work to \$20,000 per levee mile.
- 3) Delegate approval of any future revisions to the General Manager in case the anticipated funding is not included in the approved FY 2007-08 Budget.